

FEB 24 1997

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MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION AND  
TECHNOLOGY)  
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE  
(ACQUISITION AND TECHNOLOGY)  
DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION  
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ASSISTANT SECRETARY OF THE ARMY (RESEARCH,  
DEVELOPMENT AND ACQUISITION)  
ASSISTANT SECRETARY OF THE NAVY (RESEARCH,  
DEVELOPMENT AND ACQUISITION)  
ASSISTANT SECRETARY OF THE AIR FORCE  
(ACQUISITION)  
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION

SUBJECT: Single Process Initiative (SPI) Biweekly Activity Report

Forwarded for your review is our biweekly report for the period ending February 21, 1997. We are pleased to report our first international block change modification has been completed and SPI will soon be coming to the Defense Acquisition Deskbook. Highlights of these and more, plus our featured facility "ITT Aerospace/Communications Division" are included in the attached report.

Should you have any questions or concerns regarding information contained in the attached documents, please contact Ms. Marialane Schultz, SPI/Block Change Management Team Leader at (703) 767-2471.

//SIGNED//  
ROBERT W. DREWES  
Major General, USAF  
Commander

Attachment

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***Single Process Initiative***  
***Biweekly Report***  
*February 21, 1997*

Introduction

This report marks a milestone for the Single Process Initiative (SPI). During this reporting period, the first ever international block change was completed. We also took a giant step to enhance awareness of SPI by paving the way for its inclusion in the Defense Acquisition Deskbook. These accomplishments and more, plus our featured facility "ITT Aerospace/Communications Division" are detailed below.

Workload Statistics

To date, we have received a total of 701 proposed process changes from 146 contractors. This reflects an increase of 10 new processes and 4 new contractors since our last report of 691 and 142, respectively. Additionally, our Administrative Contracting Officers (ACO) have executed 26 new block change modifications, bringing the total processes modified up to 316.

Appendices A, B, and C contain summary information on SPI activity and details on modifications executed during the current reporting period. Appendix D provides details on new contractors participating in the program. It also provides a list of company name changes resulting from recent acquisitions; SPI activities remain unchanged at these facilities.

International Block Change Modification

GEC-Marconi has become our first international company to undergo a block change modification. The DCMC Northern Europe - United Kingdom (Rochester) Contract Administration Office successfully executed block change modifications with GEC-Marconi Avionics, Ltd. of Rochester, England and GEC-Marconi Sensors, Ltd. of Basildon, England to replace 10 government specified processes involving 21 military specifications and standards with an ISO 9000 compatible quality system. This is quite an accomplishment considering the approval process involved many international coordinations and the need to address all applicable international agreements. DCMC's International District worked closely with the Office of the Secretary of Defense and the Military Services to clear implementation hurdles and to obtain approval from all affected parties, including an endorsement from the United Kingdom Ministry of Defense.

## Enhancing Awareness

The DCMC SPI Team recently completed arrangements to include SPI information in the Defense Acquisition Deskbook. The Deskbook is an automated acquisition information system providing DoD acquisition information that cuts across functional disciplines. The Deskbook is sponsored by the Deputy Under Secretary of Defense (Acquisition Reform) and the Director, Acquisition Program Integration, Office of the Under Secretary of Defense (Acquisition and Technology), to increase accessibility to acquisition policy and information within industry and Government. The newly added SPI information will be available in Version 1.4 of the Deskbook which is scheduled for release March 31, 1997, and can be located at the Deskbook web site: <http://www.deskbook.osd.mil>.

A member of the SPI Team met with the Aerospace Industries Association (AIA) Quality Assurance Committee to discuss SPI issues/concerns, share implementation ideas, and to present an update on current SPI activities. During the interchange, the group highlighted three major areas of concern: (1) opportunities to use approved SPI processes on future contracts, (2) the Federal Aviation Administration's (FAA) involvement in SPI, and (3) consistency in performing cost benefit analyses. To address these concerns, the group was briefed on the DFARS case that DCMC and the Block Change Management Team are jointly sponsoring to facilitate contractor use of approved SPI processes on future contracts, the FAA's recent release of a policy letter proclaiming its commitment to SPI and its intention to team with DoD to broaden program implementation, and the DCMC policy letter on cost benefit analysis and ACO responsibilities for conducting such analyses. We agreed to work closely with AIA to further explore areas where additional attention is required to address concerns.

## SPI Recognition Program

The response to the SPI Recognition Program was impressive. We received 20 applications from throughout the United States and overseas. The level of excellence exhibited in these applications made the selection process extremely challenging. Award winners will be notified next week and will participate in a ceremony to honor their outstanding achievements at Headquarters DCMC on March 17, 1997, as part of the kick-off for Acquisition Reform Week. We look forward to this opportunity to recognize the award winning management councils for their important contributions to SPI.

## Law and Regulation Integrated Process Team (IPT)

The Law and Regulation IPT completed its review of concept papers requiring modification of FAR/DFARS requirements. They reviewed a total of 31 concept papers from 8 contractors proposing to modify 29 processes. Our last biweekly report indicated the IPT was considering seven of the proposed changes for processing, however, final coordination and deliberation on these proposed changes may result in fewer cases being ultimately sponsored. Notwithstanding this, two cases, one legislative (eliminating the requirement for subcontract notification) and one regulatory (proposing DFARS language to enable contractor use of approved SPIs) have been

completed and submitted to the DoD Legislative Reference Service and the Defense Acquisition Regulatory Council, respectively. The remaining cases are in various stages of preparation and coordination. A final report will be issued shortly to summarize results of the IPT's efforts.

### Featured Facility

ITT Aerospace/Communications Division (A/CD), located in Fort Wayne, Indiana is our featured facility. A/CD's response to SPI has been both positive and immediate, all the while providing full management support. Government business at this facility reflects a unique mix of customers and requirements, offering ample opportunities for exploring process improvements under SPI. For example, the customer base comprises not only all three military departments and the Defense Logistics Agency, but various civilian agencies as well, the more significant civilian players being the National Aeronautics and Space Administration and the National Security Agency.

The company began its SPI implementation by assigning a dedicated manager for commercialization to facilitate management council initiatives. This individual was charged with leading the SPI effort which involved eliciting support within the organization, and coordinating SPI activities with other ITT divisions. As a result, the management council has achieved many successes in bringing about changes in technical processes through SPI. To date, their efforts have culminated in five block changes on processes such as implementing a plant-wide ISO 9001 Quality Program, incorporating a "No-clean, Flux Soldering Process," and replacing the Government-unique "Certified Supplier Program" requirements with a commercial procedure. A/CD's quick and positive embrace of SPI has helped to accelerate the company's shift to commercial practices and greatly enhanced contractor and Government teamwork.

### Concluding Remarks

SPI is maturing, and we are working to enhance the program's effectiveness by broadening its application to include international facilities such as GEC-Marconi. Additionally, we remain tenacious about identifying and removing implementation barriers, most particularly ones that may threaten the program's longevity by preempting the use of approved SPI processes on future contracts. As our report indicates, we are making strides in these areas and are committed to heightening the success of this important endeavor.

## **Appendix Index**

- Appendix A - Executive Summary**
- Appendix B - Charts**
- Appendix C - Modifications Completed During Reporting Period**
- Appendix D - New Contractors & New Contractor Names During Reporting Period**

# APPENDIX A

# Summary Report as of February 21, 1997

Contractors Which Have Submitted Concept Papers:	146
Key Customer Notification Complete:	130
Component Team Leaders Identified:	100
Total Concept Papers Received:	594
Concept Papers Withdrawn:	66

**Concept  
Papers**

## Concept papers may contain multiple processes

Total Proposed Process Changes:	701
Number Initially Accepted :	606
Not Accepted Within 30 Days of Initial Submission:	51

Found Technically Acceptable:	333
Found Unacceptable:	23

### Components objecting

AF	Army	Navy	DLA	DCMC	NASA	
8	6	10	3	17	0	
Disagreements/Problems Escalated:						2
Not approved within 60 days of Mgt Cncl Acceptance:						145

Processes Modified:	316
All Actions Complete:	311
Not Modified within 30 days after Tech Acceptance:	73

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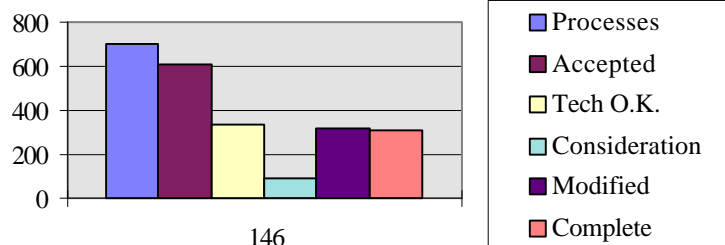
Consideration Requested by Government:	94
Cost Proposals Received:	41
Consideration Finalized:	19
Average Days From Submittal to Mod:	128
Currently Active:	366

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**Proposal  
Development -  
Concept Paper -  
(30 Days)**

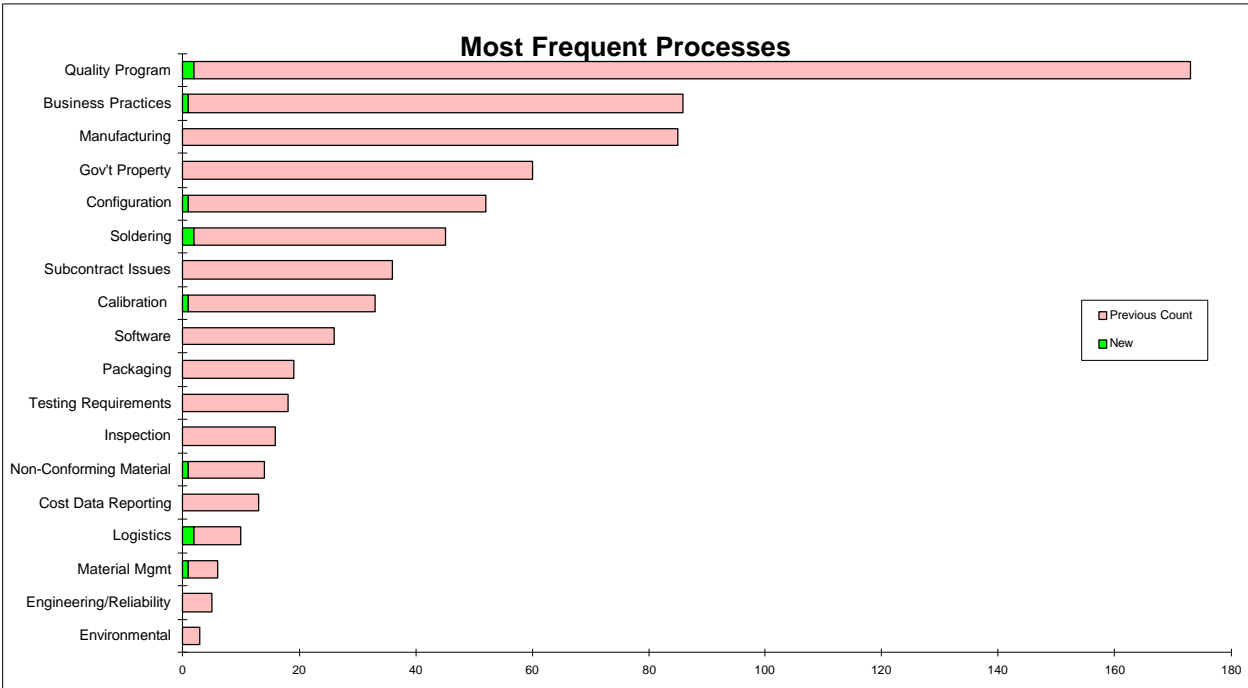
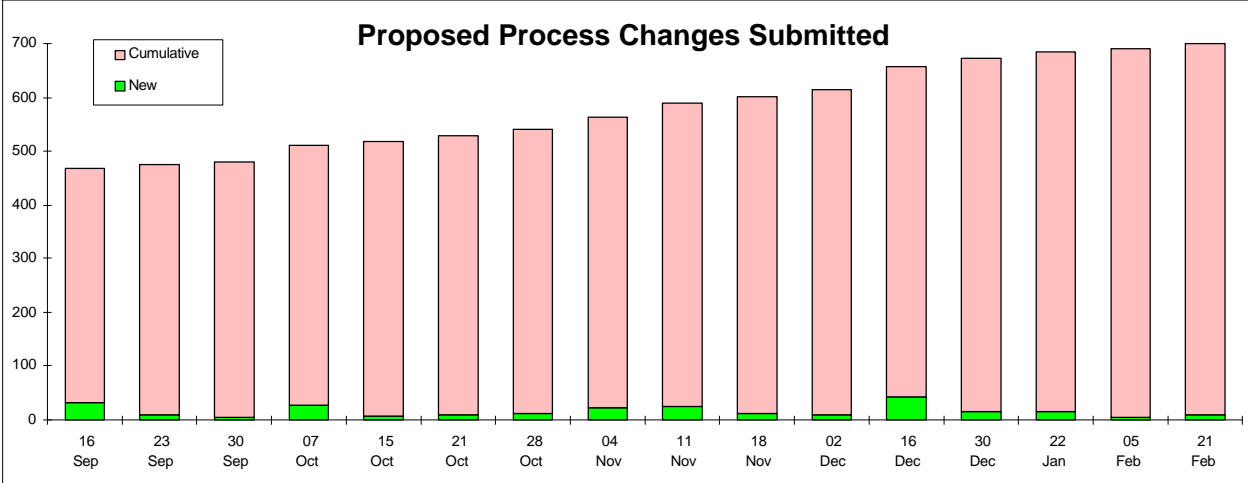
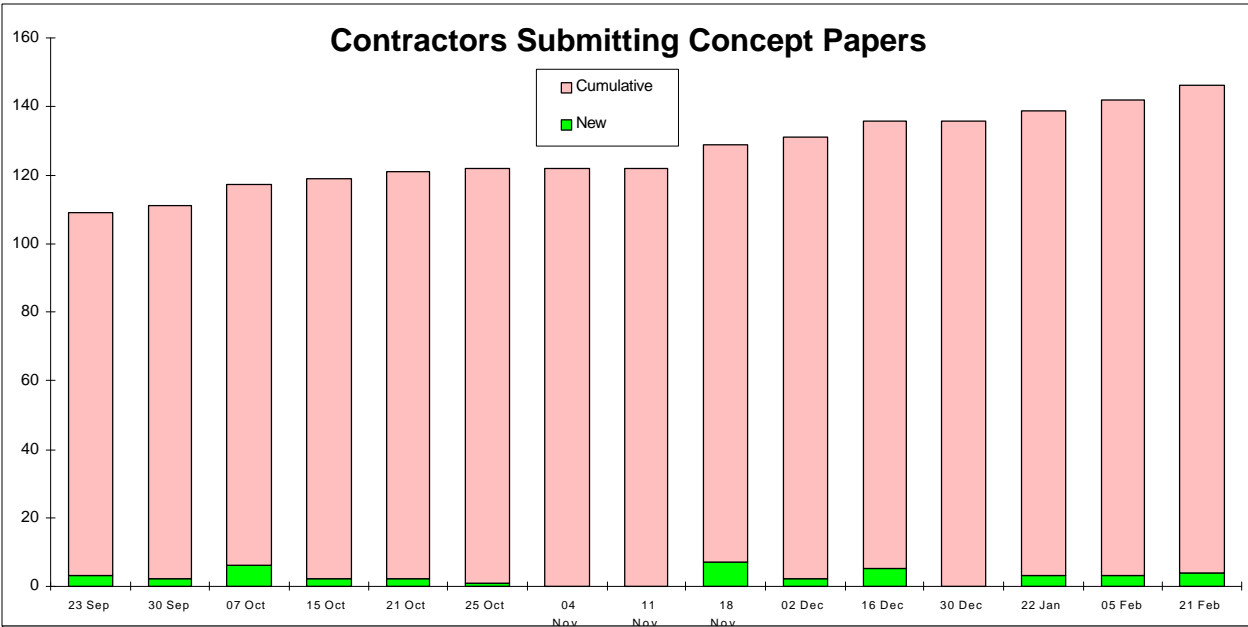
**Approval Cycle -  
Customer  
Notification and  
Agreement -  
Resolution of  
Differences -  
(60 days)**

**Modification  
Issuance -  
Negotiation of  
Consideration  
(30 Days)**





## **APPENDIX B**



## **APPENDIX C**

***Details on Block Change Modifications Completed  
During this Reporting Period***

<b><u>Contractor</u></b>	<b><u>Old Process</u></b>	<b><u>New Process</u></b>
Rockwell - Collins Avionics and Communications Div., Cedar Rapids, IA	MIL-STD-45662A, Calibration Control System	ANSI/NSCL Z540-1
TRW Space and Electronics Group (S&EG), Redondo Beach, CA	MIL-STD-1546/1547/975/965/454, Parts Procurement STDs	Contractor's Parts Material & Process Mgmt System
Westar Corporation, Albuquerque, NM	Contractor Billing Process	Direct Billing Program: Submit Vouchers to DFAS
GEC-Marconi Avionics, Ltd., Rochester, England (UK)	MIL-Q-9858A, Quality	Contractor Process
	MIL-STD-1520, NonConform Mat	Contractor Process
	MIL-STD-1535, Supplier QA	Contractor Process
	DOD-STD-1686, Electrostatic Discharge Control	Contractor Process
	MIL-STD-454, Elect. Equip. Rqmts	ISO-9001
	MIL-STD-483, Config Control	Contractor Process
	MIL-STD-480B, Config Control	ISO-9001
	MIL-STD-973, Config Control	ISO-9001
	MIL-STD-45662, Calibration	Contractor Process
	MIL-STD-129H, Marking & Packing	Contractor Process
	MIL-C-6021H, Inspection	Contractor Process
	DOD-D-1000B-2, Eng. Drawings	ISO-9001
GEC- Marconi Sensors, Ltd., Basildon, England(UK)	MIL-Q-9858A, Quality	ISO-9001
	MIL-STD-1535, Supplier QA	ISO-9001
	MIL-STD-1520C, NonConform Mat	ISO-9001
	MIL/DOD-STD-1686, Electrostatic Discharge Control	ISO-9001
	MIL-STD-2000/-2000A, Soldering	ISO-9001
	MIL-STD-480B/-973, Config Control	ISO-9001
	MIL-STD-2110, Electronic Equip Repair/Overhaul	ISO-9001
	MIL-STD-129, Ship/Storage Marking	ISO-9001
	MIL-STD-882C, System Safety	ISO-9001
	MIL-STD-454N, Elect. Equip. Rqmts	ISO-9001
	NUWC-NPT-TD6261C, Config Mgmt Plan	ISO-9001

## **APPENDIX D**

### ***Details on New Contractors***

<b><u>Contractor</u></b>	<b><u>Old Process</u></b>	<b><u>New Process</u></b>
Crane, Lear Romec, Elyria, OH	MIL-Q-9858A, MIL-I-45208	ISO 9001, Quality System
Litton Poly-Scientific Division, Blacksburg, VA	MIL-Q-9858A, MIL-I-45208, MIL-STD-1520/1535/1586	ISO 9001, Quality System
Northrop-Grumman Corp, ESID, SBMS, Bethpage, NY	MIL-Q-9858	ISO 9001, Quality System
Westar Corporation, Albuquerque, NM	Contractor Billing Process	Direct Billing Program: Submit Vouchers to DFAS

### ***Company Acquisitions New Contractor Names, Same SPI Efforts***

<b><u>New Contractor Name</u></b>	<b><u>Former Contractor Name</u></b>
Boeing North American, Inc., Comm & Combat Systems Div. (C&CSD), Anaheim, CA	Boeing North American, Inc., North American Aircraft Modification Div. (NAAMD), Anaheim, CA